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24/11/64 REC'D BY [REDACTED]

60-4210-63

15 AUG 1963

REFERRAL FOR: Benefits and Services Division, Office of Personnel
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ATTACHMENT: [REDACTED]

SUBJECT: FICA and Insurance Program for Special Employees

1. In pursuance of oral discussions held with you to date, it is the intent of this paper to set forth statements of fact and underlying questions in an effort to predetermine the insurance, disability, and death benefits which would accrue to certain special employees already known to you.

2. Although we intend to pose a number of hypothetical problems, we do not want to convey to you that we are interested in approaching this problem on a hairsplitting basis. Rather, in your work with us in the area of probable and actual incidents, you have clearly conveyed the necessity of getting the house in order before, rather than after the fact. As a result of this, and with your aid and suggestions, we have in hand all the necessary information and tools to facilitate your professional and correct reaction to incidents. At your convenience, we should wish you to review the ingredients of this program to assure that we have in fact been responsive to your needs.

3. While it is not the purpose of this paper to go into detail on the program that has been developed, I am sure you are aware it does include an evaluation of the wife in an effort to determine her reactions under the various incident situations that could come to pass; integration of a clearance attorney to assure that legal matters could be competently handled under our cover situation and to have in hand a logical confidant in emergency situations; and a comprehensive personal data sheet based upon your draft which identifies the desires, facts, and personalities that inevitably would be involved in an incident.

4. From this, you can readily ascertain that the employees themselves have been extensively prepared in this area. This preparation has not, however, dulled their deep motivation for their operational job or the essential self-confidence you normally find in men who follow their professional pursuit. However, as a group, these employees are really interested in this matter and we are more than happy that they have taken such an attitude. With this background, we should like to pose the facts and hypothetical questions referred to earlier.

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Factors:

- a. Special employees covered by social security, FICA, and CECIC, WEPRA, and FCALE insurance. If they die while engaged in one specific aspect of their overall duties, they will be covered by \$70,000 life insurance at 50% of the face or double the mortality values of the aforesaid insurance policies. The individuals receive a salary of \$24,000 per annum. All are married with at least one child under the age of ten.
- b. The individuals are all permanently assigned to a metropolitan area in the United States. However, because of the nature of their duties, their primary performance is outside the metropolitan area. For this performance they are covered by a travel order covering their P&I from the place of their residence P&I to the operational site. They travel from their place of residence P&I to an airport in the metropolitan area. There they embark on a government-owned airplane certified by FAA as to air worthiness and flown by an MA commercial pilot to their primary duty location. While at their primary duty location they are restricted to that area (which is government owned) and may not leave it until their work for the week is completed. At that time they are then again air-transported back to the metropolitan area of their residence and drive their P&I to their residence.

Questions:

- a. While traveling between their home of residence and the operational site, what is their FICA, Social Security, and insurance coverage:
 1. Between the place of residence and the air terminal?
 2. Between the air terminal and the operational site?
- b. While at the operational site, what is their FICA, Social Security, and insurance coverage:
 1. While engaged in the performance of duty and operating all but the primary vehicle?
 2. Operating the primary vehicle?
 3. During non-duty hours but where they are assigned to the operational site?

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It would be most helpful if we could have not only your findings on coverage but a breakdown on the value of FICA, Social Security, and the insurance coverage. We would also like to be alerted to any other substantive problems areas which are brought to mind by the above. We greatly appreciate your help and assistance in this endeavor and hope, tent some time, not too far downstream, when we have an opportunity, you will visit the operational site so that these employees could get the benefit of your excellent counsel.



JACK C. KENDRICK
Colonel USAF
Assistant Director
(Special Activities)

PE/OSA:LLM:jm(15 August 63)

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